

The Acquisition Strategy

A Roadmap to Program Management Success

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Obtaining major milestone approval challenges DoD program managers (PMs) to create programs that satisfy numerous stakeholders and address requests from multiple constituencies. Another feature of the DoD acquisition system is the requirement to create a mountain of documentation to "assist" the review process; current regulations require up to 60 documents (32 regulatory and 28 statutory) to pass a single milestone review! Each of these documents/constituencies seeks clarity on specific aspects of the program and zealously works to obtain the satisfaction of its unique concerns. Along the milestone pathway, it's easy for the PM to get overwhelmed by this blizzard of paperwork/requests and adopt a mindset of "I'll do whatever it takes to obtain your concurrence" to complete the milestone review checklist. After a while, conversations could begin to resemble those between Alice and the Cheshire Cat:

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"Would you tell me, please, which way I ought to go from here?" asked Alice. "That depends a good deal on where you want to get to," said the Cat. "I don't much care where—" said Alice. "Then it doesn't matter which way you go," said the Cat. "—so long as I get somewhere," Alice added as an explanation.

—Lewis Carroll, *Alice's Adventures in Wonderland*

But all is not lost. To assist the PM along this journey, there is one document that can keep a program focused, on target, and ready to achieve acquisition success. This powerful thought piece is known as the acquisition strategy (AS). While simple in concept, the AS concept requires time to develop, mature, and propagate. When done well, the AS not only enables a successful milestone review, but outlines the workforce motivations, identifies/mitigates risks and opportunities, and assists in obtaining the resources necessary to deliver effective capability to the warfighter. In short, the acquisition strategy is the PM's roadmap to success.

Acquisition Strategies as a Hot Topic

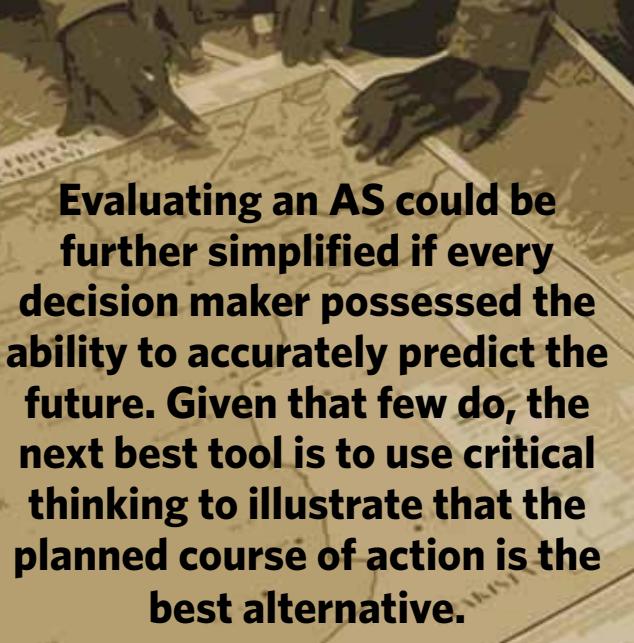
The recent AT&L guidance on program planning (*Document Streamlining—Program Strategies and Systems Engineering Plan*, April 20, 2011) implied that the size of many acquisition documents had grown to the point where the intent of the document was being lost in the sheer number of pages. This memorandum suggested limiting AS documents to 30 pages using a standard template. Even this limit is generous, considering the truly few real objectives for an acquisition strategy:

- Demonstrate that the likely outcome is worth the investment in both resources (real costs) and schedule (opportunity costs).
- Present a logical, reasonable proof of how the end item meets required performance objectives.
- Demonstrate that you have an effective business strategy and team in place to execute the program.

The proposed template is a great place to start, but its value lies in making the task of reviewing the AS easier; employing the template should not limit a PM's ability to provide creative solutions. Evaluating an AS could be further simplified if every decision maker possessed the ability to accurately predict the future. Given that few do, the next best tool is to use critical thinking to illustrate that the planned course of action is the best alternative.

It Takes a Team to Write an AS

No matter how well trained or experienced the PM is, it's unlikely that he or she has the depth and breadth of knowledge (or time) to complete an acquisition strategy alone. Successful PMs recognize that they succeed by taking on the role of coach versus being the star player. Their primary job is orchestrating the actions of their team. An objective of the AS is to provide a complete look at the total program, so the team makeup will likely be representative of the program as well.



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Because the AS is the primary acquisition document, the roles and involvement of several team members in contributing to the AS are obvious; contracting, technical/engineering, budget personnel, testers, logisticians, and systems engineers, each having a major portion of the AS where they have the lead. These individuals not only participate in their areas of specialization, but assist in defining the total program management approach.

Additionally, there are areas of the AS where an outside specialist may be required to provide specific advice to the program. Outside experts can bring in the latest policy and best practices for sections on international involvement or industrial base capability. However, the most important of the outside experts is the operational representative. Operator involvement both recognizes the possibility of requirements exceeding resources and assists the PMs in making trades between different requirements. In the end, the operator, not the PM, is the judge as to whether trades are acceptable in the final product.

Sample AS Writing Team	
Team Member	Tasking/Contributions
Budget Office	Cost estimate, resource requirements
Contracting Office	Contracting strategy, incentive strategy, market research, competition strategy
International	International cooperation, sales
Industrial Affairs	Industrial capacity concerns, industrial base impacts
Logistician	Support strategy, competition strategy
Product Engineer	Technical approach, risk assessment
Systems Engineer	Configuration control process, risk control
Test Office	Testing approach, test article requirements, range requirements
Operator	Requirements, CONOPS

Once a program team has been identified, the next step is to conduct a team kickoff session to ensure a common understanding of program requirements and CONOPS. PMs should never assume universal understanding of their intention just because it is clear to them. An early goal of the AS planning session is alignment of program requirements and traceability back to foundational documents. The plan should include periodic progress reviews to discuss changes in business and technical requirements and how they drive acquisition risks/opportunities.

A successful AS becomes a story about the program—its people, goals, and pathways. Like a good story, it needs to be centered on a common theme that holds it together. The best way to make this theme consistent is to recognize that while it takes a team to write the AS, in the end, the PM is the story teller; the better the AS tells the story, the easier it is understood.

Critical Thinking is at the Heart of the AS

Critical thinking is a skill most top leaders possess and use without recognizing its value. However, good critical thinking is key to creating a successful AS. From the Foundation for Critical Thinking, a well-cultivated critical thinker:

- Raises vital questions and problems, formulating them clearly and precisely
- Gathers and assesses relevant information, using abstract ideas to interpret it effectively
- Comes to well-reasoned conclusions and solutions, testing them against relevant criteria and standards
- Thinks open-mindedly within alternative systems of thought, recognizing and assessing, as need be, their assumptions, implications, and practical consequences
- Communicates effectively with others in figuring out solutions to complex problems.

A logical proof arrived at and supported by critical thinking naturally accounts for multiple stakeholder objectives and the resources available for the task. However, for the AS team the challenge is in the doing, not the wanting.

The first guideline for using critical thinking in your acquisition strategy is recognizing that inserting critical thinking at the end isn't an effective approach. Withholding questions and feedback until the end of the development process and then "pepper the team with bolts of brilliance" does not create an environment for acquisition success. Instead this often results in a disjointed approach—like a story with two beginnings and no end. To effectively use critical thinking, introduce it at the beginning of the process and constantly cultivate it throughout.

A second guideline for critical thinking is acknowledging that it is not an exclusive leadership tool. Critical thinking works best when universally practiced by the whole team, not just a select few. The initial key participant meeting

sets the tone for the entire effort. As part of the kickoff, the PM should introduce his vision of the program—focusing on answering the three critical AS questions—and set the expectation of concluding with a well-supported conclusion using critical thinking. As a corollary, set a precedence of encouraging ideas to come forward and have their merits fairly discussed versus discouraging innovation or fostering favoritism and bias.

Finally, for critical thinking to succeed, leaders must be willing to listen to opinions and ideas that may differ from their own. The easiest way to stifle critical thinking is adopting a "shoot the messenger" mentality where introducing non-conforming or novel ideas have career-limiting overtones. While it may seem to be a waste of time to hear out ideas that are "far out there," challenging the conventional thinking can be a means of finding new alternatives or providing further evidence supporting the conventional approach.

Practices for Obtaining AS Success

A foundational tenet in every acquisition program is to "get the requirement right." This may require multiple consultations with operators to obtain clarifications and confirm your team's understanding of requirements. These clarifications define "what you are buying" as close as possible. Even the best acquisition strategy would not overcome chasing a poor requirements definition; therefore, it's not included as a practice for success. So in addition to getting the requirements right and encouraging the use of critical thinking as a general practice, there are a few best practices on AS writing that should be followed:

- **Rigorously and objectively consider risks.** The heart of the acquisition strategy is the identification, categorization, and mitigation of programmatic risks. The primary challenge for the PM is to review the risks objectively, not diminishing longstanding risks (due to familiarity with the issue or unsupported optimism) or exaggerating new, unfamiliar risks (because they are new). Risks can be technical or programmatic or a combination of both. Technical risk mitigations include studies, prototypes, or even second sources. Programmatic risk mitigations suggest negotiation of requirements, obtaining additional program support, or renegotiation of program events. Combination risks suggest using a combined mitigation approach. An acceptable mitigation strategy is achieved when probability/impact of occurrence reaches an acceptable level.
- **Incentivize what's important.** The proposed contract structure is a mandatory element of the AS, but the incentive structure is more critical. The structure of the contract defines the terms for payment, performance, and delivery—all key program elements—but the incentive structure informs the contractor what is important and where to focus. The incentive structure can emphasize performance, cost, or schedule but normally not all three. The rewards, punishments, or stretch goals are the part of

the acquisition story that is often cited as the most memorable to senior leaders.

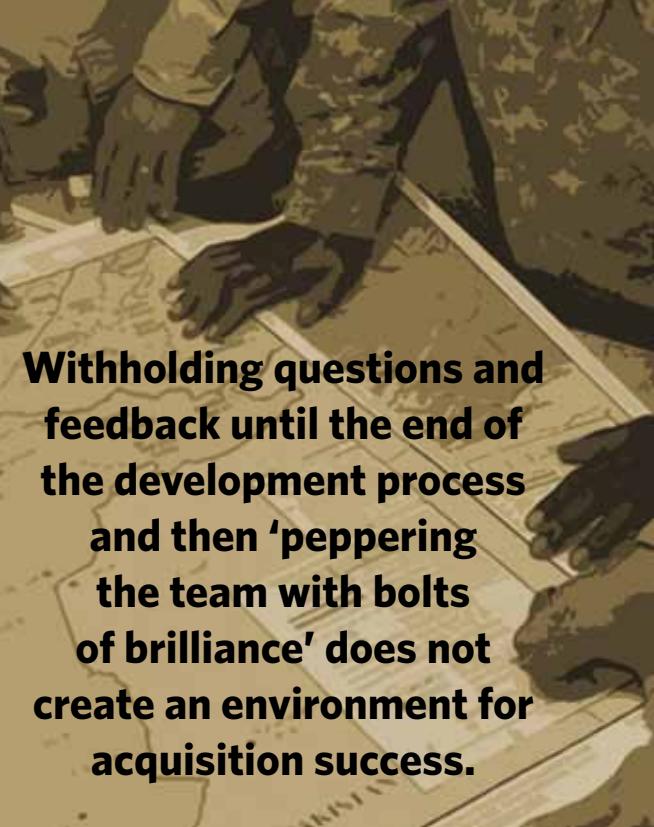
- **Create progress metrics.** A final step in implementing an AS is having the ability to answer the question, "How will you know if you are getting what you want?" Metrics that provide insight into program events are the answer. Similar to incentives, metrics identify the program elements that are important enough to measure and track. An important aspect of your metrics is establishing expectations. Expectations need to be tight enough to allow for effective corrective action, but not so tight that every monthly report creates a crisis action team. Finally, be flexible to changing a metric when the behavior measured is not an indicator of program success or failure. An effective program development metric may not be effective in the sustainment phase.

A final best practice about the AS is to recognize while the document is most likely a composite from many contributions, the senior-leader expectation is that the PM must understand and be able to explain any of the positions taken in the AS. Remember, the PM is the spokesperson and storyteller for his/her program.

Potential Pitfalls

There are just as many ways of writing a bad document as there are writers. Here are some common errors to guard against:

- **"Just do it" attitude**—The "just do it" attitude sees the completion of the AS document as the end of the process. This approach ignores the premise that the AS is an enduring agreement with the milestone decision authority (MDA) and a recipe for program success. The likely result of a just-do-it attitude is that the AS is filed until the program becomes unsuccessful—via a schedule or cost breach—and then is taken out for a revision. At this point, the new PM often is left to wonder "what if" the original plan had been followed and why he/she is implementing a turnaround strategy.
- **Fluff**—Fluff is using large words that sound important or long sentences with little meaning or effect. Fluff can be caused by many actions, including excessive dependency on previous documents, heavy reliance on boilerplate text, or rice-bowl protection programs. Fighting fluff is a main responsibility of the PM to ensure the meaning of the document is not lost. Critical thinking and effective questioning are the enemies of fluff.
- **Treating the AS as just another required document**—Viewing the AS as just 1/60th of the required documents for the next milestone review ignores the true value of the AS to set the tone for your success. Symptoms of this approach are patterning your AS after another program's approved AS, using a cut-and-paste-first attitude and a total disregard for critical thinking. The importance of the AS must be set at



the first meeting with the team and emphasized throughout the process.

- **Overconfidence**—Overconfidence is often evidenced in low risk scores and superficial mitigation approaches. This practice is frequently combined with a "we can do it" attitude, selectively ignoring any objective evidence which could indicate impending failure of the chosen approach. In the extreme, overconfidence allows the initiation of un-executable program while keeping the MDA from that realization until after significant funds have been spent. Doing so not only hurts the program, but creates an opportunity cost for the Service when those funds could have gone to other priorities.

Final Word: The AS is the PM's Document

Frequently, the AS is labeled as the PM's contract with the MDA. This recognizes that an AS links performance expectations and resources. However, this analogy is not complete, as it ignores some other benefits of the AS. The AS also defines the operator's success criteria for the program and makes them a partner in delivering a necessary capability on a realistic timeline. It is also a vision within your organization for defining goals, objectives, schedules, and expectations; it should define what makes them come to work every day. Finally, it defines your intended agreement with industry and the commitment of each party to meet specific objectives.

Remember: The AS is not just an agreement to be filed away when signed, but a road map to success on your acquisition adventure.

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